

when I was in the House of Representatives. People may recall that it was not too long ago when you went to a grocery store and picked up a can of peas or a package of spaghetti or an ice cream bar from the shelves or the cooler and looked at the side. What did you see? You saw that this is an ice cream bar, this is a can of peas, and this is a box of spaghetti. That is the only information you got about that food—nothing more; nothing about sodium; nothing about fat; nothing more. Because they did not feel like telling you.

So we decided that it would be in the consumers' best interest if they had some notion what was in this product. You go shopping at the grocery store and watch. People clog the aisles these days picking up one of these cans. They turn to the back. They want to find out what is in it. How much fat is in this one? How much saturated fat is in that product?

You give people information and they will use it. It is good information. It improves their health. It makes them better consumers. Is that a bad regulation that we require people to tell the American people what is in food? No. I think it is a good regulation. But I will guarantee you this. Those who are required to do it fought every step of the way. The last thing they wanted to do was to have to comply with another regulation. I think these regulations make sense.

We are talking about regulations for safety, health, and the environment. Not all of them, not every one of them, but the bulk of the directions of what we were doing with regulation makes a lot of sense.

I do not want the debate this week here in the Senate to be a debate that is thoughtless. I would like it to be a debate that is thoughtful. Let us find out which regulations are troublesome, not which regulations are inconvenient or costly. I do not want to say to this industry or to that industry, "Yes. It is costly for you to comply with the clean air requirements. So that is fine. We will understand. We will give you a little break." I am sorry. I do not intend to give them a break. I do not intend that they have dirty air so they can have more profits.

I would like us to do this in a reasonable way. As I said when I started, there are some regulations that make no sense. I have seen some of them. I have participated in trying to get agencies to change some of them. I would be the first to admit that there are plenty of people working in the Federal Government who know all about theories and know all about the details but do not have the foggiest notion about what the compliance burdens are. These things need to make some rational sense. They need to be dealing with a goal that makes sense. They need to be constructed in a way so that compliance is enhanced. But I hope that the debate we have this week will really center on the questions about government regulation. What are we

doing this for? In most cases, we are doing this for the public good.

So, Mr. President, I think this is going to be a fascinating and interesting debate. We have some people in this Chamber who would like the wholesale repeal of a whole lot of important environmental and safety regulations. I do not happen to support that. Some would. Others who say every regulation is terrific. I do not support that either. I think what we ought to do is try to figure out what works and what does not, to get rid of what does not, and keep what works and keep what is good for this country.

I hope that is the kind of discussion we will have as the week goes on on the issue of regulatory reform.

Mr. President, at this point I would like to yield the remainder of my 15 minutes.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DORGAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

BILLIONAIRES' TAX LOOPHOLE

Mr. KENNEDY. Mr. President, one of the worst examples of Republican misplaced priorities is the current blatant attempt to keep the tax loophole open for billionaires who renounce their American citizenship in order to avoid paying taxes on the massive wealth they have accumulated in America.

Under current law, these unpatriotic billionaires get a juicy tax break for turning their back on Uncle Sam. Does anyone in America seriously think they deserve it?

When Democrats initially tried to close the loophole last April, our proposal was rejected—supposedly because a few so-called technical questions needed to be addressed.

It turns out that the only serious technical issue was how to keep the loophole open, or at least save as much of it as possible.

The Joint Committee on Taxation completed its long-awaited study on the loophole on June 1 and it turned out to be a blatant attempt to save the loophole, rather than close it.

The Ways and Means Committee found the ways and means to keep the loophole open. They have even given the bill an appropriate number—H.R. 1812.

What a perfect number for a tax loophole bill—1812. That is about the year their thinking on tax reform stopped. Democrats will try to bring their 1812 bill into the 20th century when it gets to the Senate—and close that loophole tight on those unpatriotic billionaires.

I just wish our Republican friends would put as much time and effort into

closing tax loopholes and reducing corporate welfare as they put into keeping loopholes open.

We would save tens of billions of dollars, and balance the budget far more fairly, instead of balancing it on the backs of Medicare and education and low-income working families.

Tomorrow, the Senate Finance Committee will be holding a hearing on the billionaires' tax loophole. It is vitally important that the Senate stand firm in its desire to close this flagrant loophole once and for all.

On April 6, 96 of us went on record in favor of closing it. If we really want to close this loophole, we cannot accept the Ways and Means Committee bill. That bill is more loophole than law.

It does not prevent massive income tax avoidance by patient expatriates, and it does nothing to prevent avoidance of estate taxes and gift taxes.

First, the House bill allows expatriates to pay no U.S. tax on their gains if they wait 10 years before they sell their assets.

This part of the loophole already exists in current law, as has been repeatedly pointed out.

There is no reason to leave it open. Expatriates should be taxed when they expatriate—at the time they thumb their nose at Uncle Sam.

Second, under the House bill, gains from foreign assets built up during U.S. citizenship would not be subject to U.S. tax after expatriation takes place. All U.S. citizens pay taxes on worldwide income, so why should not expatriates?

Any serious proposal to address this issue must tax the gains on the expatriate's worldwide assets, and this tax must be imposed at the time of expatriation.

In addition, under the House bill, expatriates will continue to use tax planning gimmicks to avoid taxes on gains from domestic assets by shifting income from this country to foreign countries. As long as the Tax Code exempts foreign assets from the tax, wealthy expatriates will find new ways to shift assets and avoid taxes.

Third, the House bill cannot be effectively enforced. Expatriates can leave the U.S. tax jurisdiction without paying the tax or posting any security. They merely fill out a form at the time of expatriation, and the IRS will be left in the cold.

Fourth, the House bill does nothing to prevent expatriates from avoiding gift and estate taxes. With good legal advice, an expatriate can transfer all assets to a foreign corporation and then give it all away without any gift tax liability.

Finally, in a particularly obnoxious maneuver, the Ways and Means Committee bill unsuccessfully attempted to gerrymander the effective date of its watered-down reform in a transparent attempt to permit a few more undeserving billionaires to slither through the full loophole before the mild committee changes take effect.

Under this proposal, wealthy tax evaders would have qualified for the